## REMARKS

This Amendment is being filed in response to the Office Action mailed May 24, 2007, which has been reviewed and carefully considered. Reconsideration and allowance of the present application in view of the amendments made above and the remarks to follow are respectfully requested.

Be means of the present amendment, claims 1-16 have been amended for non-statutory reasons, such as for better form including deleting reference designations typically used in European practice that are known to not limit the scope of the claims. Claims 1-16 were not amended in order to address issues of patentability and Applicants respectfully reserve all rights under the Doctrine of Equivalents.

In the Office Action, the Examiner objected to the drawings for not labeling FIGs 1A and 1B as Prior Art. In response, FIGs 1A and 1B have been amended to include the legend --Prior Art--. A replacement sheet including FIGs 1A and 1B is enclosed. Further, the Examiner objected to the drawings for not showing the claimed features of a quantizer when an absolute value of a signal input to

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the first device is smaller, and a gain element when the absolute value is larger. It is respectfully submitted that the FIGs 2, 4 7-9 and show element(s) labeled as Q, Q1 etc., which act as either a quantizer or a gain element as recited in the claims, which have been amended for better clarity. Accordingly, Applicants respectfully requests withdrawal of the drawing objection and approval of the enclosed proposed drawing changes.

In the Office Action, the Examiner indicated that the title of the invention was not sufficiently descriptive, and required a new title. In response, the current title has been deleted and substituted with a new title which is clearly indicative of the invention to which the claims are directed. Accordingly, withdrawal of the objection to the title is respectfully requested.

In the Office Action, the Examiner suggested adding headings to the specification. Applicants gratefully acknowledge the Examiner's suggestion, however respectfully decline to add the headings as they are not required in accordance with MPEP §608.01(a), and could be inappropriately used in interpreting the specification.

In the Office Action, claims 1-16 are rejected under 35 U.S.C.

\$112, second paragraph as allegedly indefinite. Without agreeing with the Examiner, and in the interest of advancing prosecution, claims 1 and 16 have been amended to remove the alleged informality noted by the Examiner. It is respectfully submitted that the rejection of claims 1-16 has been overcome and an indication as such is respectfully requested.

In the Office Action, claims 1-16 are rejected under 35 U.S.C. \$103(a) as allegedly unpatentable over the Admitted Prior Art (APA) in view of U.S. Patent No. 7,081,843 (Melanson). It is respectfully submitted that claims 1-20 are patentable over APA and Melanson for at least the following reasons.

As correctly noted on page 5 of the Office Action, the APA fails to disclose or suggest a device which acts as a quantizer when an absolute value of a signal input thereto is smaller, and as a gain element when the absolute value of the signal input thereto is larger. Melanson is cited in an attempt to remedy the deficiencies in the APA.

It is respectfully submitted that Melanson is not prior art to the present application. The present application claims the benefit of a European Patent Application filed on April 16, 2003, which is thus the effective filing date of the present application.

As the effective filing date of the present application of April 16, 2003 is before the Melanson effective filing date of July 19, 2004, Melanson is not available as prior art. Accordingly, it is respectfully submitted that independent claims 1-20 are allowable.

In addition, Applicants denies any statement, position or averment of the Examiner that is not specifically addressed by the foregoing argument and response. Any rejections and/or points of argument not addressed would appear to be moot in view of the presented remarks. However, the Applicant reserves the right to submit further arguments in support of the above stated position, should that become necessary. No arguments are waived and none of the Examiner's statements are conceded.

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In view of the above, it is respectfully submitted that the present application is in condition for allowance, and a Notice of Allowance is earnestly solicited.

Respectfully submitted,

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Enclosure: Replacement drawing sheet (1 sheet including FIGs 1A-1B)

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